

# News from the City of Greenville

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Media release

**For immediate release**

## **SMG Announces Strong Performance Results in 6-Month Report to City**

Greenville SC . . . The selection of SMG to manage the Palmetto Expo Center has proven to be a good decision for Greenville, as indicated by its most recent performance report.

According to financial reports for the six-month period ending June 30, 2002, the facility reduced its operating deficit to \$54,206, well below budgeted projections. This represents a gain of \$476,033 when compared to a budgeted deficit of \$530,239. SMG took over operation of the Palmetto Expo Center in January, and the June report reflects the conclusion of the 2002 fiscal.

The variance came almost exclusively in revenue gains, which surpassed the budget by almost 30%. Two areas that showed significant improvement were food and beverage sales, which rose \$178,913 above budget and the revenues from the city-owned shows which rose approximately \$75,000.

The City of Greenville purchased the Palmetto Expo Center last year at a time when the facility was facing foreclosure. At that time, the City bought the Expo Center at a cost of \$6.8 million and then began the selection process to hire a management company to run the facility. The City Council also established a task force to provide direction in long-term development.

According to City Manager Charles “Randy” Oliver, SMG was chosen based on the high level of support and expertise that the company could bring to the facility. “We selected SMG because of their credentials and ability to expand the Expo Center’s marketability,” he said. SMG is headquartered in Philadelphia and is the leading private facility management company. With 156 venues, SMG controls more than 1.3 million entertainment seats worldwide, and more than nine million square feet of exhibit space.

John Wilusz, General Manager of the Palmetto Expo Center, agrees that the international stature of SMG has been a strong asset in establishing a positive operating plan. “SMG provides a tremendous level of organizational support,” said Wilusz. “When you combine this with the support and direction from the City and the City’s task force, you can begin to build the framework for improved operations and financial results.”

Wilusz notes that as the company looks to fine tune daily operations, he is also focused on the long-term financial stability of the Expo Center. “We’re very pleased with the results, especially by our gains against budget,” said Wilusz. “However, we realize the first six months of the year reflect a higher demand cycle for our operations, so we expect to see an overall operating deficit rise when it encompasses a 12-month reporting period.”

“It is our long-term objective in operations management to sustain and build the peak seasons, while leveling out the valleys,” said Wilusz. “This will be a challenge, but I believe we are headed in the right direction.

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